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INTRODUCTION

Idaho Code or Administrative Rule may dictate the fee charged and the amount transmitted as state revenue. If an agency has a contractual agreement with a third party provider to remit revenue net of processing or convenience fees, an expense should be recognized by the agency.

PROCEDURES

Example:

Idaho Code establishes \$30 as the fee for a particular service provided. The third party provider collects \$30. The agency agrees to pay the third party provider \$5 to provide the service. The third party remits \$25 to the agency.

The agency would record the following in the accounting system:

TC 101, Record Cash Receipt of Revenue, not Billed Revenue subobject as appropriate to your agency.

DR - Cash \$25

CR - Revenue \$25

To record unbilled revenue.

TC 192, Record Credit Card Convenience Fees, Revenue subobject as appropriate to your agency, Expenditure subobject 5963.

DR - GAAP Expense \$5

CR - Revenue \$5

To record the expense and revenue to the credit card convenience fee charged by a third party when the cash was not remitted to the state.